



United States
Department of
Agriculture

Forest
Service

Pacific
Northwest
Region

P.O. Box 3623
Portland, OR 97208-3623
333 S.W. First Avenue
Portland, OR 97204

Reply To: 1580/6540

Date: December 5, 1996

Dear Forest Service Grant Recipient:

Please find enclosed a new regulation from the Treasury Department that states "all Federal payments made by an agency to a recipient...shall be made by electronic funds transfer."

Any requests for advance or reimbursement that are received on or after January 15 will need to have a Vendor Express number cited in Block #9 of the SF-270 (Block #10 if the payment is to go to other than the grant recipient).

The process to request an advance or reimbursement will remain the same. The grant recipient will fill out the SF-270 and submit it through current channels. The only difference will be that the grant recipient will receive a direct deposit to their bank account instead of receiving a hardcopy check from the Treasury Department.

In order to receive a Vendor Express number, please call the National Finance Center (NFC) toll free at 1-800-421-0323 and ask for "MISPAY." They will send you a packet of information and a form to complete in order to sign up for the system. NFC will then send you the Vendor Express number in the mail.

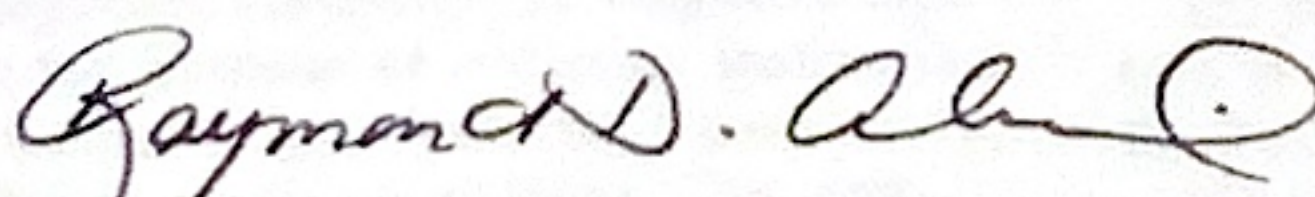
Unfortunately, this system will only work for USDA agencies that use the NFC. All other Federal agencies with which you have grants will have a different system and you will need to contact them individually.

As you will notice on the bottom right-hand side of the enclosure, you may request a waiver under certain conditions. If you meet these conditions, please send us a letter with the required information and we will continue to pay you with a hardcopy check from the Treasury Department.

Also enclosed, for your use, is an updated listing of unpaid balances on the open grants you have with our Agency.

Please call Von Marie Erkert at (503) 326-6236 if you have questions. Thank you, in advance, for assisting us in implementing this new regulation.

Sincerely,



CHARLES F. KREBS
Director, Cooperative Programs

Enclosures

cc:
FM, R.Chaney
B.Menius
CP, ROCATS

Caring for the Land and Serving People



Printed on Recycled Paper
FS-6200-28b (12/93)



Treasury Department Regulations Implementing the Debt Collection Improvement Act of 1996 (P.L. 104-134)

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 208

PART 208 — FEDERAL AGENCY DISBURSEMENTS

Sec.

- 208.1 Scope and application.
- 208.2 Definitions.
- 208.3 Agency responsibilities.
- 208.4 Recipient responsibilities.

Appendix A to Part 31 — Model Certification

Authority: 5 U.S.C. 301; 31 U.S.C. 321, 3301, 3302, 3321, 3325, 3327, 3328, 3332, 3335, and 6503.

§208.1 Scope and application.

This part applies to all Federal payments made by an agency and requires such payments to be made by electronic funds transfer, unless a waiver is granted. This part does not apply to payments under the Internal Revenue Code of 1986.

§208.2 Definitions.

(a) *Agency* means any department, agency, or instrumentality of the United States Government, or a corporation owned or controlled by the Government of the United States.

(b) *Benefit payment* means a payment for a Federal Government entitlement program or for an annuity (other than a Federal retirement payment), including, but not limited to, payments for Social Security, Supplemental Security Income, Black Lung, Railroad Retirement Board Retirement and Annuity, Department of Veterans Affairs Compensation and Pension, and Worker's Compensation.

(c) *Electronic funds transfer* means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House transfers, Fedwire transfers, and transfers made at automated teller machines and point-of-sale terminals.

(d) *Federal payment* means any payment made by an agency.

(1) The term includes, but is not limited to:

- (i) Federal wage, salary, and retirement payments;
- (ii) Vendor and expense reimbursement payments;
- (iii) Benefit payments; and
- (iv) Miscellaneous payments, including but is not limited to, inter-agency payments, grants, loans, fees, principal, interest, and discounts related to U.S. transferable and non-transferable securities, overpayment reimbursements, and payments under Federal insurance or guarantee programs for loans.

(2) The term "Federal payment" does not apply to payments under the Internal Revenue Code of 1986.

(e) *Financial institution* means any bank, savings bank, savings and loan association, credit union, or similar institution.

(f) *Payment* means a sum of money transferred to a recipient in satisfaction of an obligation.

§208.3 Agency responsibilities.

(a) *Paying by electronic funds transfer.* Subject to §208.3 (b), and notwithstanding any other provision of law, all Federal payments made by an agency to a recipient who becomes eligible for the payment on or after July 26, 1996, shall be made by electronic funds transfer. For purposes of this subsection, "becomes eligible for" means:

- (1) In the case of benefit payments, the recipient applies for that type of benefit on or after July 26, 1996;
- (2) In the case of Federal wage or salary payments, the recipient has a date of entry on duty with the agency on or after July 26, 1996;
- (3) In the case of Federal retirement payments, a recipient applies for retirement from an agency on or after July 26, 1996;
- (4) In the case of vendor payments, the payment is made under a contract or purchase order resulting from a solicitation issued on or after July 26, 1996;
- (5) In the case of grants, an application is filed or renewed on or after July 26, 1996; and
- (6) For all other Federal payments, as determined by the agency.

(b) *Waiver.* The head of an agency shall waive the application of subsection 208.3 (a) only upon receipt of written certification that the recipient does not

have an account with a financial institution or an authorized payment agent.

(c) *Agency implementation plan.* If the head of an agency determines that the agency cannot make a Federal payment or class of Federal payment in accordance with §208.3 (a) due to the inability of the agency's system to make the payment(s) by electronic funds transfer, then the agency shall notify the Service immediately in writing and shall submit an implementation plan to the Service no later than January 1, 1997. The plan shall:

- (1) Identify the specific type of payment(s) that cannot be made by electronic funds transfer;
- (2) Describe the system problem that prevents the agency from making the payment(s) by electronic funds transfer; and
- (3) Outline a proposed solution and provide a time table for solving the problem.

§208.4 Recipient responsibilities.

Each recipient of a Federal payment shall designate a financial institution or authorized payment agent through which a Federal payment may be made or certify in writing that such recipient does not have an account with a financial institution or an authorized payment agent; and provide the agency with the information requested by the agency in order to effect the payment.

Appendix A to Part 208 — Model Certification

This appendix contains model language which may be used to qualify for a waiver under §208.3(b). Use of the model language is optional. An agency may customize the model language by making appropriate changes.

Any payment that we make to you will be made by electronic funds transfer unless you certify in writing that you do not have an account with a financial institution or an authorized payment agent.

I certify that I do not have an account with a financial institution or an authorized payment agent.

Signature

Dated: July 23, 1996.

Mayor,
City of Elgin
P.O. Box 128,
Elgin, OR 97827

<u>Grant ID #:</u>	<u>Grant Name:</u>	<u>Remaining Balance to be Reimbursed:</u>
OREC-96-003	City Park Planning and Design	\$9,800.00
Total Reimbursable to Grantee:		<u><u>\$9,800.00</u></u>